



Board of
Examiners

February 2005

Update

2004 Baldrige Award Recipients Announced

On November 23, 2004, President George W. Bush and Commerce Secretary Donald L. Evans announced the four recipients of the 2004 Malcolm Baldrige National Quality Award (MBNQA). The 2004 recipients are The Bama Companies, Inc., Tulsa, Oklahoma (manufacturing); Texas Nameplate Company, Inc., Dallas, Texas (small business); Robert Wood Johnson University Hospital at Hamilton, Hamilton, New Jersey (health care); and Kenneth W. Monfort College of Business, Greeley, Colorado (education). Secretary Evans said, "President Bush and I are proud to name these outstanding organizations as recipients of the prestigious Malcolm Baldrige National Quality Award. They embody the Baldrige themes of ethical leadership, sustainability, innovation, and continuous improvement. I salute these organizations and their workers for their contributions to America's economic and competitive strength."

The Bama Companies, Inc. began as the Bama Pie Company in the kitchen of its founder, Cornillia Alabama "Bama" Marshall, in 1927. Today, this family-owned business manufactures frozen ready-to-use food products for the quick service and casual dining restaurant business and family dining chains. It has become the nation's largest producer of hand-held fruit pies, as well as the largest producer of ready-to-bake biscuits.

Texas Nameplate Company, Inc. is a small, privately held family business that produces nameplates, identification tags, and labels for a wide variety of products, including high-pressure valves, oil field equipment, and computers. Through its chemical etching, screen printing, and photo engraving processes, the company places information such as vendor names, model numbers, pressure limits, installation procedures, and safety warnings on nameplates. Texas Nameplate is the smallest business to receive a Baldrige Award and the only small business to have received a Baldrige Award twice, the first time in 1998.

Robert Wood Johnson University Hospital at Hamilton is a private, nonprofit acute care community hospital that provides health care services to more than 350,000 residents in its service area through its network of caregivers. Primary services include medical, surgical, obstetric, cardiology, orthopedic, and intensive care for both adults and critically ill infants and children. Outpatient services provided at the hospital include diagnostic and therapeutic care, ambulatory surgery, medical and radiation oncology, and emergency services, including emergent angioplasty. Community services include health education, health screenings, and disease prevention programs.

Kenneth W. Monfort College of Business at the University of Northern Colorado focuses on delivery of an undergraduate-only business education. The 120-credit degree program integrates business core classes, business emphasis classes, and business electives, with a strong nonbusiness foundation in the liberal arts. It educates approximately 1,200 students annually.

Update Your Contact Information Before the 2004 Ceremony

We anticipate a winter 2005 date for the ceremony honoring the 2004 MBNQA recipients. All Examiners will be notified by e-mail (or fax if they do not have e-mail) as soon as we have information from the White House on the date. Please be sure to notify Jayson Diggs of any changes to your e-mail, fax, or mailing address. Jayson can be reached at jayson.diggs@nist.gov or at (301) 975-3379.

Members of the Board of Examiners will be invited to all major events held in conjunction with the Award Ceremony. Examiners also may bring a guest to the reception that takes place the night before the ceremony and to the Examiner Recognition Ceremony, but not to the Presidential ceremony.

competitiveness

New Judges and Chairperson Appointed

Secretary Evans recently appointed Lloyd Barker, David Branch, James Evans, and Steven Lampa to the 2005 MBNQA Panel of Judges.

Lloyd Barker is the Director of Corporate Quality with Alcoa, Inc. in New York, New York. In this position, Lloyd leads the strategic development, deployment, and management of global quality assurance for Alcoa. Prior to this position, Lloyd served as the Director of Corporate Quality for Howmet Casting and also had a 13-year career with Honeywell Engines and Systems. He is an American Society for Quality (ASQ)-certified quality auditor, engineer, and manager.

David Branch is Chairman/CEO of Branch-Smith Resources, Ltd. and President of Branch-Smith Printing in Fort Worth, Texas, a 2002 Baldrige small business Award recipient. David is Chairman of the Board for the National Association for Printing Leadership in Paramus, New Jersey, and a board member of the Graphic Arts Show Company in Washington, D.C.

Jim Evans is currently the Director of the Total Quality Management Center in the College of Business Administration at the University of Cincinnati in Ohio. Jim received the Philip B. Crosby Medal in 2003 from ASQ and is a member of many professional committees and community service organizations.

Steve Lampa is currently the Senior Vice President of Rooms Operations and Quality Assurance for Marriott International Corporation in Washington, D.C. Prior to this position, Steve was the Vice President of Brand Management for Marriott Hotels and Resorts.

Jim and Steve each served for six years on the Baldrige Board of Examiners acting as Senior Examiners for most of their tenures. David served for two years on the Baldrige Board of Examiners. The new Judges join the current Panel of Judges: Roy Bauer, R. Jane Brown, Steven Hagedorn, Deborah Lee-Eddie, Deborah Myers, Joseph Sober, and Maureen Travalini.

Secretary Evans also appointed Roy Bauer as the Chairperson for the 2005 Panel of Judges. Roy recently was promoted to President and Chief Operating Officer of PEMSTAR, Inc. In this position, Roy will assume responsibility for the strategic and operational decision-making functions of PEMSTAR.

2005: Year of the 1,000th Applicant

In 2005, the Malcolm Baldrige National Quality Award will receive its 1,000th applicant since the Award's inception in 1988, which is a significant milestone for the Baldrige National Quality Program (BNQP) and the United States and will be celebrated throughout the year. To honor the occasion and encourage potential applicants, the Program will refund the Stage 1 application fee to the 1,000th applicant.

Between 1988 and 2004, there have been 343 manufacturing applicants (25 Award recipients), 164 service applicants (13 Award recipients), 326 small business applicants (15 Award recipients), 83 education applicants (5 Award recipients), and 83 health care applicants (4 Award recipients). To date, the total number of applicants for the Award is 999.

The Program looks forward to the next 1,000 applicants!

Nonprofit Eligibility Legislation Passed

On October 5, 2004, President Bush signed legislation granting nonprofit organizations (including charities and government agencies) eligibility to apply for the Baldrige Award. Representatives Brad Miller (D-NC) and Melissa Hart (R-PA) sponsored the legislation (H.R. 3389) to amend the Stevenson-Wydler Technology Innovation Act of 1980. The nonprofit eligibility adds to the Award's existing five categories: manufacturing, service, small business, education, and health care.

The authorization of a nonprofit category includes organizations, such as federal, state, and local governments; private, nonprofit organizations, such as charities and professional associations; and quasi-public organizations

Update

created by legislative authority, such as municipal utilities and credit unions. We thank everyone who helped support the efforts to make nonprofits eligible for the Award.

Appropriation of funds is needed to actually begin an Award competition for nonprofit organizations. If Congress appropriates the necessary funding, nonprofit entities will be eligible to apply for the Baldrige Award in 2006.

New Commerce Secretary's Legacy of Quality Improvement

Carlos M. Gutiérrez, President and CEO of the Kellogg Company, was nominated by President Bush as the new Secretary of Commerce, replacing Don Evans, and he was confirmed by the Senate on January 24, 2005. In the early 1980s, Cuban-born Gutiérrez turned around Kellogg's Mexican division, which was plagued by low productivity, high waste levels, and poor sanitation, by connecting with the plant's employees. This led the employees to buy into Gutiérrez's new standards for productivity and cleanliness. As a result, within two years, the plant topped Kellogg's rankings for productivity and cleanliness. Gutiérrez subsequently deployed similar policies throughout Kellogg as he rose through the company's ranks, ultimately becoming President and CEO in 1999. During Gutiérrez's tenure, the company's net sales rose from \$6.2 billion in 1999 to \$8.8 billion in 2003 and its earnings per share have gone up 131 percent. Before accepting the Commerce Secretary nomination, Gutiérrez directed Kellogg's operations in 19 countries.

Summary of Changes in the 2005 Criteria for Business, Education, and Health Care

The Criteria for Performance Excellence for business, education, and health care continue to evolve, to help organizations address a dynamic environment. The specific and focused demands on senior leaders, the need to attend to long-term (as well as short-term) organizational sustainability, the challenges of organizational innovation to gain and sustain competitive advantages and to enhance overall performance and future success, the difficulty of plan and process execution, and the clear need for alignment of all aspects of your performance management system with your results measurements receive greater attention in the 2005 Criteria. The Criteria continue to emphasize the central role that customers, students, patients, and other stakeholders play in defining and achieving performance excellence and the importance of key partners and suppliers in your organizational success.

In 2005, Criteria questions have been better aligned throughout the seven Categories and with the Organizational Profile. These changes have been made to improve Baldrige self-assessment and external assessment; the determination of organizational strengths, gaps, and alignment in approach, deployment, learning, and integration (Categories 1–6); and the determination of organizational gaps, strengths of performance, and opportunities in results areas (Category 7).

A primary consideration in the Criteria revisions has been the important relationship between the Criteria Items and the Scoring Guidelines. Together they form the assessment system used by Baldrige Examiners and the one recommended to you for self-assessment purposes. Basically, the Criteria Item requirements ask **how** you accomplish the work of your organization and **what** were the results. The Scoring Guidelines help you assess **how well** you accomplish your work and **how good** were the results. By studying the Criteria Item requirements and linkages among them, you can gauge gaps in your performance management system. By studying the Scoring Guidelines, particularly the descriptors for the scoring ranges *above* the ranges of your scores, you can identify opportunities for reaching the next level of organizational performance.

After determining **how**, **what**, **how well**, and **how good** for your organization, you are in an excellent position to accelerate your improvement journey. To facilitate that process of acceleration, we have included optional business, education, and health care worksheets in this year's Criteria booklets and on the Web site at www.baldrige.nist.gov. These worksheets are for your use and are not for inclusion in a formal application for the Baldrige Award.

The most significant changes in the Criteria for 2005 are summarized as follows:

- The number of Areas to Address has been increased from 32 to 33.
- Category 1, **Leadership**, now has a more defined focus on leadership's key responsibilities for guiding

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- and sustaining your organization and overseeing its ethical stewardship.
- Category 2, **Strategic Planning**, has been given a clear focus on planning and executing plans for short- and long-term organizational sustainability.
 - Category 4, **Measurement, Analysis, and Knowledge Management**, has an enhanced focus on all aspects of organizational performance review and information quality.
 - Category 6, **Process Management**, has an added focus on operational planning to ensure availability of financial or budgetary resources and continuity of operations in an emergency.
 - Category 7, **Business Results/Organizational Performance Results**, now includes a specific focus on results related to the leadership effectiveness of your senior leaders.
 - Three terms have been added to the Glossary of Key Terms: “diversity,” “partners,” and “sustainability.”

Apply for the Baldrige Award and Get a Guaranteed Seat on the Board of Examiners

In an effort designed to improve an organization’s understanding of the Baldrige Criteria, every organization that submits an eligibility form for the Baldrige Award by March 11, 2005, will be guaranteed a seat for one senior staff member on the 2005 Board of Examiners, if they choose to accept the opportunity. This program is now in its fourth year. In the period 2002–2004, more than 100 organizations took advantage of this opportunity to network with other Examiners, gain insight into the Criteria for Performance Excellence through training and a structured case study, and participate in the Award application review process. The opportunity to learn is substantial, as is the required commitment of time.

Every year, professionals contend to be one of approximately 500 Examiners who review applications for the Baldrige Award. Positions on the board are sought after because, as part of the evaluation process, board members have the opportunity to develop a better understanding of the Criteria for Performance Excellence, learn how leading organizations achieve performance excellence, and network with some of the nation’s foremost quality professionals.

Eligibility and Award application forms are available at www.baldrige.nist.gov/Award_Application.htm or by calling (301) 975-2036 or (800) 898-4506.

2005 Application Deadlines Reminder

Applicants for the Baldrige Award are reminded of the following important dates in 2005:

- Eligibility Certification Packages with a nomination to the Board of Examiners are due March 11, 2005.
- Eligibility Certification Packages without a nomination to the Board of Examiners are due April 12, 2005.
- Award Application Packages submitted on CD are due May 12, 2005.
- Award Application Packages submitted in paper copies are due May 26, 2005.

2005 Baldrige Award Eligibility Process Changes

As a result of the Board of Overseers’ meeting in June 2004, the following Baldrige Award eligibility changes will take effect in 2005:

- (1) Regardless of size, a subunit of a business is now eligible if it is independently incorporated, distinct from its parent, and meets all other eligibility requirements.
- (2) A subunit is eligible only if it provides over 50 percent of its products and/or services directly to external customers and is paid directly by its external customers.
- (3) An applicant is eligible only if the operational practices associated with all of its major organizational functions are examinable in the United States or its territories. Overseas U.S. military installations and embassies are not considered eligible.

In addition, the following changes have been made in the self-certification process:

- (1) For education organizations, over 50 percent of all faculty and staff and/or the budget must be devoted to providing teaching/instructional services directly to students.
- (2) For health care organizations, over 50 percent of all staff members and/or the budget must be devoted to providing health care services directly to people.

Questions concerning the 2005 changes should be directed to the Baldrige Office at (800) 898-4506. You also may call Mark Shapiro at (301) 975-3621 or Debbie Smyth at (301) 975-5312.

Update

The Quest for Excellence® Conference XVII

The official MBNQA conference, The Quest for Excellence (QE) XVII, will be held April 10–13, 2005, at the Marriott Wardman Park Hotel in Washington, D.C. This annual conference provides a forum for Award recipients to share their exceptional performance practices with leaders in business, education, health care, and nonprofit organizations. QE XVII will showcase the 2004 Baldrige Award recipients, as well as former service category Award recipients Boeing Aerospace Support, Caterpillar Financial Services Corporation U.S., Operations Management International, Inc., and The Ritz-Carlton Hotel Company, L.L.C. Two concurrent preconference workshops will be offered Sunday afternoon, April 10, 2005.

An advance registration fee of \$1,050 is available through March 14, 2005. Effective March 15, 2005, the registration fee will increase to \$1,200. Group and faculty discounts are available. Requests for registration information should be addressed to ASQ at (800) 248-1946 or asq@asq.org. Complete conference information, including on-line registration, is available at www.baldrige.nist.gov/Quest_for_Excellence.htm.

Rooms have been reserved at the Marriott Wardman Park Hotel at the special conference rate of \$223 (single or double). In order to receive this special conference rate, please reserve rooms before March 20, 2005, and be sure to mention The Quest for Excellence XVII. You may reserve rooms by calling the Marriott Wardman Park Hotel at (202) 328-2900. If you wish to receive a conference brochure, please call BNQP at (301) 975-2036.

The National Institute of Standards and Technology (NIST), ASQ, and the American Society for Training and Development (ASTD) co-sponsor the conference.

2005 Examiner Preparation Course Moves Off Campus

Due to renovations at NIST, the 2005 Examiner preparation classes will move off campus to the Bolger Center in Potomac, Maryland, just 12 miles southwest of NIST. The center is easily reached from area airports, and center staff will assist in arranging for travel to airports and providing shuttle service to the Bethesda, Maryland, metro station.

The Bolger Center (www.bolgercenter.com/) offers a full-service conference and training facility, with 70,000 square feet of high technology meeting space and computer labs. Examiner guest rooms, while small, include a double bed, television, desk space with high-speed Internet access, and a private bath. Bolger Center's surroundings include 83 acres of land including facilities for volleyball, basketball, and tennis; bicycle rentals; and a team-building ropes course. In addition, an on-site restaurant and dining room offer buffet style meals three times daily, and the center offers a complete fitness center, free parking, a laundry valet, and an indoor pool.

Mentor and Alumni Examiner Programs Continue in 2005

Now in its ninth year, the Alumni Examiner Program will continue to accept applications from Examiners with six or more years of service and from former Judges. Alumni must be available to serve as active members of an emergency pool for all three stages of the evaluation process. Alumni are required to complete Examiner preparation prework, to attend the three-day Examiner Preparation Course, to complete a Stage 1 application, and to partner with another Examiner to write a Stage 1 feedback report. Depending on Program needs, Alumni may be asked to serve on a Consensus and/or Site Visit Team, to serve as a mentor for a new Examiner during the prework phase, to review training materials, or to facilitate new Examiner training.

In 2004, a Mentor Program for new Examiners was implemented, with Senior Examiners serving as mentors for one to three new Examiners and providing guidance and advice on the evaluation of the case study application and the preparation of the training scorebook. The evaluation results indicate that most senior mentors and new Examiners found the program worthwhile. Suggestions for improvement are under consideration; the program will be updated and continued for the 2005 Examiner training cycle.

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2004 Baldrige Regional Conferences

The 2004 Baldrige Regional Conferences were held in September in Chicago/Oak Brook, Illinois, and San Antonio, Texas, with more than 350 representatives from the business, health care, education, and nonprofit sectors in attendance to learn about the best practices of past and present Baldrige Award recipients. Each conference featured keynote presentations from the senior leaders of the following 2003 Award recipients—Baptist Hospital, Inc.; Boeing Aerospace Support; Caterpillar Financial Services Corporation U.S.; Community Consolidated School District 15; Medrad, Inc; Saint Luke's Hospital of Kansas City; and Stoner, Inc.—as well as concurrent and town hall sessions featuring current and past Baldrige Award recipients. A preconference workshop on getting started with the Baldrige Criteria was offered at each conference. The following organizations also gave presentations: Chugach School District; Clarke American Checks; Dana Corporation-Spicer Draft Division; Los Alamos National Bank; Marlow Industries, Inc.; Motorola's Commercial, Government, and Industrial Solutions Sector; Pearl River School District; The Ritz-Carlton Hotel Company L.L.C.; Sunny Fresh Foods; and the University of Wisconsin-Stout.

We thank all of the Examiners and Award recipients who volunteered to be moderators and speakers at this year's conferences. In addition, we thank our co-sponsors: the Oklahoma Quality Award, the Lincoln Foundation for Performance Excellence, the Texas Award for Performance Excellence, and the Memphis Area Chamber of Commerce, the Mid-South Quality Productivity Center (MSQPC—The Quality Center).

Letters of Appreciation to be Sent

Harry Hertz, BNQP Director, would like to write a letter of appreciation to the employer of each member of the 2004 Board of Examiners. The letter will acknowledge the Examiner's contributions and commitment, as well as the employer's support for the Baldrige process. If you would like a letter of appreciation sent to someone in your organization, please fax Jenny Davis at (301) 975-4967 or send an e-mail to virginia.davis@nist.gov with your name and the name, title, and complete address of the person to whom you would like Harry to write.

Baldrige Office on the Road

Members of the Baldrige staff frequently address a number of different conferences and assist with celebrations associated with presenting state and local program awards to recipients. For example, some recent state and local award events have included those in South Carolina, Illinois, and Tennessee. Recent conferences where staff has spoken include the Mexican National Quality Conference, the 88th American Financial Services Association (AFSA) Annual Meeting and Leadership Conference, and the Kansas City Quest for Excellence IX Conference. Upcoming events where we are exhibiting include the American Council on Education in Washington, D.C.; the American College of Healthcare Executives Congress on Healthcare Management in Chicago, Illinois; the Conference on Quality in the Space and Defense Industries in Cape Canaveral, Florida; and the Association for Supervision and Curriculum Development Annual Conference and Exhibit Show in Orlando, Florida. In addition, staff will participate in the annual Delaware Quality Conference on March 3, 2005. You can keep track of future events where BNQP will be presenting or exhibiting at www.baldrige.nist.gov/BNQP_Exhibit_Schedule.htm.

In Sympathy

The Baldrige staff wishes to express our deepest sympathy to the family of Tatrice Edwards, a former project coordinator at ASQ, who also was our colleague and dear friend. Tatrice passed away recently after a sudden illness. She supported several projects for the Baldrige Program, including the *Update* newsletter, mass mailing lists, and Award stages. Tatrice was wonderful to work with and very personable in the many interactions that she had with us. We will always remember her contributions to the Program and especially her trademark—a warm, kind, and gentle smile. We truly believe that we are really not saying goodbye because she will live on in our memories forever....*The Baldrige Staff*

Update

Baldrige and OAE Volunteer Serving in Iraq

BNQP wishes to send a special thank you and safe return wishes to Baldrige Examiner and Ohio Award for Excellence (OAE) volunteer Mike Belter who is currently stationed in Baghdad, Iraq, with the U.S. Army. Belter is a dedicated supporter of Baldrige and OAE, where he has served as a trustee, council member, examiner, trainer, and judge. OAE previously recognized Belter with its 2003 Volunteer of the Year Award.

NIST News

Arden Bement Named NSF Director

On November 24, 2004, Arden Bement was officially confirmed by the Senate as the permanent Director of the National Science Foundation (NSF), an acting position he had been serving in since February 2004. NSF, an independent federal agency, supports fundamental research and education across nearly all fields of science and engineering. Secretary Evans said, "The qualities that have strengthened NIST under Dr. Bement's direction will be a welcome addition to the National Science Foundation. I am pleased that he is stepping into this vital position and will be supporting our national excellence in science and technology."

Dr. Bement had served as NIST's director since 2001. Hratch Semerjian, NIST's deputy director since 2003, will continue as the agency's Acting Director.

Baldrige Announces Team Rotations and New Team Leaders

As it does every year, BNQP is rotating some staff among its self-managed teams. BNQP purposely moves staff to provide opportunities for cross-functional learning and knowledge sharing. Three staff members rotated teams this year. Mary Bostwick and Jane Poulter moved from the Outreach and Communications Team to the Examiner and Staff Development Team, and Melissa Pollack moved from the Examiner and Staff Development Team to the Outreach and Communications Team. In addition, Jacqueline Calhoun finished serving as the Baldrige Program's representative with the NIST Program Office and returned to the Publications Management Team.

In addition to these changes, teams elected their new team leaders. Team leaders act as team coordinators and policy advisors for BNQP. They serve on the BNQP Coordinating Council with the BNQP management to facilitate communications and decision making among teams and to identify and coordinate policies for the office. Serving as a team leader is seen as a growth opportunity for staff members and allows BNQP to benefit from new and diverse viewpoints. To serve as their team leaders, the Outreach and Communications Team elected Barbara Foss-Fischer (301) 975-8942 and the Examiner and Staff Development Team elected Pat Hilton (301) 975-2410. The Award Process Team elected Mark Shapiro (301) 975-3621 and the Publications Management Team elected Dawn Wilcox (301) 975-3074 for second terms as team leaders.

Dan Tran of the Administrative Services/Electronic Information Team left BNQP in October 2004. Dan relocated his family to the Orlando, Florida, area and has taken a position with the Florida Hospital as an Application Analyst. The Program is grateful for Dan's contributions and wishes him continued success!

Kim Lowery of the Administrative Services/Electronic Information Team left BNQP on December 10, 2004, for an opportunity with significant career advancement at the National Institutes of Health. She worked as an Administrative Support Assistant and supported a number of projects including feedback, travel, and time and attendance. Kim is now employed as an Administrative Technician at the National Institute of Allergy and Infectious Diseases. The Program sends Kim our best wishes!

leadership

Update

Kathy Harvill began in October 2004 with the Administrative Services/Electronic Information Team and serves as an Information Technology Specialist (system analysis). Kathy comes from NIST's Chief Information Officer Division, where she has worked for the past five years, and before that served with the Information Technology Laboratory Division since 1985. She has taken classes at Montgomery College, as well as elsewhere, and says most of her knowledge comes from her own experience. During her free time, she enjoys keeping in contact with her two grown sons, listening to music, reading, and working in her garden. Kathy looks forward to learning the Baldrige process so she can help enhance the Program. Her telephone number is (301) 975-8235, and she can be reached via e-mail at kathryn.harvill@nist.gov. Welcome Kathy!

Catherine (Cathy) Graham joined the Management Team as a secretary in November 2004. She comes to the Baldrige Program after three years with the Manufacturing Engineering Laboratory/Manufacturing Systems Integration Division, where she was the division secretary. Prior to working at NIST, Cathy was a dispatcher with the Baltimore City Police for 13 years and a dispatcher with the Maryland State Police for 12 years. Off the job, Cathy enjoys cooking, reading, and stitchery and also spending time with her husband Jim and their three cats. Cathy is a native Marylander, having lived in various cities throughout the state. She may be reached by telephone at (301) 975-4410 or by e-mail at catherine.graham@nist.gov.

Update The official newsletter for the Board of Examiners of the Malcolm Baldrige National Quality Award

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